In the matter of the Application of the PARK WATER COMPANY (U 314 W) for authority to increase rates charged for water service by \$1,680,500 or 8.21% in 2007; by \$571,181 or 2.57% in 2008; and by \$658,677 or 2.88% in 2009.

Application 06-01-004 (Filed January 5, 2006)

RESPONSE OF THE DIVISION OF RATEPAYER ADVOCATES SUPPORTING PARK WATER COMPANY'S MOTION TO SUBMIT INTO EVIDENCE ITS SUPPLEMENTAL REPORT ON LOW-INCOME PROGRAM

I. BACKGROUND

On or about January 5, 2006, Park Water Company (PWC) filed its GRC application requesting an increase in rates in Test Year 2007 for water service by \$1,680,500 or 8.21%, 2.57% in 2008 and 2.88% in 2009.

The Administrative Law Judge's scoping memo bifurcated this proceeding into two phases. Phase I matters settled and are the subject of a proposed ALJ decision. Phase II dealt solely with PWC's proposed low-income program. That matter has also been resolved and is the subject of PWC's motion to adopt the supplemental report and Division of Ratepayer Advocates (DRA's) response in support thereof.

II. DISCUSSION

PWC and DRA (collectively the "Parties") have agreed on a resolution of all of the issues related to the low income program in Phase II of this rate case proceeding, and have specifically agreed that PWC's supplement report be admitted into evidence. Because there is no disputed fact or legal matter, DRA supports the motion PWC filed electronically on or about August 1, 2006.

In particular, DRA represents to the Commission as follows:

- That PWC's Phase II supplemental report, as referenced and discussed above, constitutes the entire resolution between the Parties of all low-income Phase II issues;
- 2. That PWC's supplemental report, which resolves Phase II issues, is fully supported by DRA;
- 3. That no term of this Response or PWC's Phase II supplemental report contravenes any statutory provision or any decision of the Commission and is otherwise consistent with applicable law;
- 4. DRA believes that this resolution of all low-income Phase II issues is reasonable in light of the whole record, consistent with applicable law, and in the public interest;
- 5. DRA supports this resolution of all low-income Phase II issues with the understanding that the Commission's adoption of it not be construed as an admission or concession, by any Party, regarding any fact, or matter of law, in dispute in this proceeding; and
- 6. DRA intends that the Commission's adoption of this resolution of all low-income Phase II issues is not construed as any statement of precedent or policy of any kind for or against them in any current or future proceeding.

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III. REQUEST

DRA requests that the Commission adopt in its entirety PWC's Supplemental Income Report on Low-Income Program, as filed in Phase II of this proceeding, as the complete and reasonable resolution of all the issues in Phase II of the present proceeding.

Respectfully submitted,

/s/ Donald C. Cady

DONALD C. CADY Staff Counsel

Attorney for the of Ratepayer Advocates

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August 3, 2006

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of "RESPONSEOF THE DIVISION OF RATEPAYER ADVOCATES SUPPORTING PARK WATER COMPANY'S MOTION TO SUBMIT INTO EVIDENCE ITS SUPPLEMENTAL REPORT ON LOW-INCOME PROGRAM" in Application 06-01-004 by using the following service:

[X] E-Mail Service: sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

[] **U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on the 3d day of August, 2006 at San Francisco, California.

/s/ Joanne Lark
Joanne Lark

NOTICE

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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